

Karen Hailey

TO:

HAMISH MAXWELL  
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CC:

TG, WTM, GEK, JRH, LR, CW (PM EEC)

F H DULLES, T M KEARNS, R W MURRAY, L POLLAK, R L SNYDER  
M JOURNOT (PHI NY)

FLASH FOR WEEK ENDING NOVEMBER 26, 1982  
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1. LEGAL  
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A) E.E.C.  
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- 1) A TRANSLATION OF THE MEMORANDUM FILED BY REEMTSMA HAS NOW BEEN RECEIVED IN LAUSANNE. OUR REPLY TO BOTH THE RJR AND REEMTSMA BRIEFS WILL BE SUBMITTED ON NOVEMBER 30, 1982.
- 2) THE EEC COMMISSION HAS WRITTEN TO REQUESTING THAT CERTAIN INFORMATION IS FILED BY 30 NOVEMBER 1982. THE INFORMATION REQUESTED IS:
  - DETAILS OF ANY AMENDMENTS OF THE ARTICLES OF ASSOCIATION SINCE 26 MAY 1981.
  - ANNUAL ACCOUNTS FOR THE YEARS ENDED MARCH 31, 1981 AND 1982.
  - ANNUAL ACCOUNTS FOR THE LAST 3 YEARS OF AMALGAMATED TOBACCO CO. AND MILLS CIGARETTE LTD (RTH SUBSIDIARIES TRANSFERRED BY REMBRANDT).

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- DETAILS OF ANY SHAREHOLDING OF DIRECTORS IN RTH.
- NAMES OF CHAIRMAN AND ALL DIRECTORS, DATE OF APPOINTMENT, IDENTITY OF THE APPOINTING SHAREHOLDERS.

IT IS BELIEVED THE COMMISSION'S REQUEST IS FOR INFORMATION PURPOSES ONLY.

THE STATUTORY ACCOUNTS FOR RTH FOR THE YEAR ENDED 31 MARCH 1982 HAVE NOT YET BEEN COMPLETED DUE TO DISCUSSION ON WHETHER TO EQUITY ACCOUNT OR NOT. THIS MATTER WILL BE RESOLVED THIS WEEK.

B) GERMANY  
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- 1) THE COURT OF APPEALS HAS CONFIRMED THAT OUR REBUTTAL HAS TO BE SUBMITTED BY MONDAY, MARCH 14, 1983 AND THAT THE ORAL HEARING WILL TAKE PLACE ON APRIL 25 AND 26, 1983.
- 2) THE SECOND DRAFT OF PROF. BERNHARDT'S EXPERT OPINION ON THE APPLICATION OF INTERNATIONAL LAW HAS BEEN RECEIVED.

C) FIRA  
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IT WAS CONCLUDED THAT WE SHOULD NOT APPROACH FIRA AGAIN AT THIS TIME. FIRA IS KNOWN TO HAVE UNDERTAKEN AN INTERNAL REVIEW OF ITS PAST POLICIES, THE OUTCOME OF WHICH CANNOT BE DETRIMENTAL TO US, AS ANY FUTURE POLICY IS LIKELY TO BE LESS RADICAL THAN THE PAST ONE.

FURTHER, A POSSIBLE SETTLEMENT IN THE EEC IS LIKELY TO RESULT IN AMENDED DOCUMENTS CONTAINING LANGUAGE FURTHER DEFINING THE PM STATUS AS AN INVESTOR, WHICH SHOULD IN TURN MAKE IT CLEARER TO FIRA THAT PM HAS NOT GAINED CONTROL OF RI.

OVERALL, OUR BEST PRESENT COURSE IS TO CONTINUE AND WAIT.

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D) AUSTRALIA  
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- 1) IT IS REPORTED THAT RJR HAVE ENGAGED STEVE CARNEY + ASSOCIATES, A CANBERRA P.R. FIRM, TO LOBBY FOR AUSTRALIAN GOVERNMENT INTERVENTION IN OUR CASE.
- 2) AN ARTICLE HAS APPEARED IN THE NATIONAL TIMES WEEKLY ON THE PM/REMBRANDT TRANSACTION, APPARENTLY INSPIRED BY RJR'S LOBBYISTS.
- 3) RE MR. KERIN'S QUESTION IN PARLIAMENT - WE ARE ADVISED THE MINISTER RESPONSIBLE HAS ASKED ALEC BENNETT, OF THE AUSTRALIAN TOBACCO BOARD, TO DRAFT THE REPLY. G. BIBLE IS PLANNING TO MEET BENNETT SHORTLY TO PROVIDE HIM WITH THE NECESSARY INFORMATION. IT IS POSSIBLE THAT SOME MONTHS WILL PASS BEFORE THE HOUSE ACTUALLY RECEIVE THE REPLY FROM THE MINISTER.
- 4) THE SITUATION IS BEING WATCHED CLOSELY. THERE IS NOT NOW ANY PARTICULAR REASONS FOR CONCERN.

2. PLANNING  
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A) INDONESIA  
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WE HAVE ADVISED MR. DE JAEGERE OF TABACOFINA ON NOVEMBER 25 THAT WE INTEND TO COME TO AN ARRANGEMENT WITH BENTOEI RATHER THAN FAROKA.

B) INDIA  
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MESSRS. CLINTON, WOOD AND PAVITT OF CARRERAS ROTHMANS VISITED GPI IN BOMBAY DURING THE WEEK OF NOVEMBER 15. IT WAS AGREED IN PRINCIPLE THAT GPI WILL OBTAIN A LICENSE FOR THE PETER STUYVESANT BRAND. FINANCIAL, TECHNICAL AND MARKETING DETAILS REMAIN TO BE WORKED OUT.

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C) IRELAND

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CARROLLS HAVE SUBMITTED AN AMENDED DRAFT LICENSE AGREEMENT, INCLUDING PARAGRAPHS ASKING ESSENTIALLY FOR A PERPETUAL LICENSE, AND FOR HEAVY COMPENSATION IN THE EVENT OF A LICENSE DISCONTINUATION. THE MATTER IS NOW BEING REVIEWED, AND THE PROSPECTS FOR A SUCCESSFUL ARRANGEMENT NOW APPEAR SLIM.

D) GERMANY

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MARTIN BRINKMANN WERE ADVISED THAT PMG IS NOT INTERESTED AT THE PRESENT TIME IN CONTINUING DISCUSSIONS ON THE PROPOSAL TO SET UP A JOINT DISTRIBUTION ARRANGEMENT.

3. GENERAL

A) REMBRANDT

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THE GENCOR EXTRAORDINARY SHAREHOLDERS MEETING ORIGINALLY CALLED FOR AUGUST 5, WHICH WAS ABORTED DUE TO A TECHNICALITY, IS TO BE HELD ON DECEMBER 14.  
THIS MAY BE THE FINAL ROUND OF THE BATTLE BETWEEN SANLAM AND REMBRANDT REGARDING THE AMENDMENT TO THE ARTICLES OF ASSOCIATION IN THE MATTER OF REMOVAL OF DIRECTORS.

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B) SHARE PRICE

CLOSING PRICES OF	NOV. 12, 1982 NOV. 19, 1982	
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ROTHMANS INTERNATIONAL (POUNDS)	123P~	128P~
RI CONVERTIBLE POUNDS/BONDS (DM)	3647 ~	3686 ~
DUNHILL (POUNDS)	320P	320P
CARROLL (IRISH POUNDS)	67P	69P
TABACOFINA (BF)	2650	2595
ROTHMANS OF PALL MALL CANADA (CAN DLRS)		
- COMMON	37	37-3/8
- PREFERRED B	12-3/8	12-1/4
CARLING O'KEEFE (CAN. DLRS)		
- COMMON	11-3/4	11
- PREFERRED A	20-1/2	20-3/4
ROTHMANS OF PALL MALL AUSTRALIA (AUS. DLRS)		
- SYDNEY	5.48~	5.20~
ROTHMANS INDUSTRIES, N.Z. (N.Z. DLRS)	1.45	1.43
ROTHMANS OF PALL MALL MALAYSIA (SING. DLRS)	2.88	2.88
ROTHMANS INDUSTRIES LTD. (SING. DLRS)	1.52	1.63

ROTHMANS INTERNATIONAL SHARE PRICE REACHED  
A NEW HIGH OF 133P ON NOVEMBER 18, 1982.

REGARDS,

E. HOUMINER

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